

**CITY OF BISMARCK POLICE PENSION FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2005**

	July-05				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Month	Fiscal YTD	FY05	Ended	Ended
		Actual		Net ROR	Net ROR	Net ROR	6/30/2005	6/30/2005
							Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>								
<i>Structured Growth</i>								
LA Capital	972,005	5.1%	5.1%	4.40%	4.40%	8.17%	N/A	N/A
<b>Total Structured Growth</b>	<b>972,005</b>	<b>5.1%</b>	<b>5.1%</b>	<b>4.40%</b>	<b>4.40%</b>	<b>8.17%</b>	<b>10.41%</b>	<b>-8.94%</b>
Russell 1000 Growth				4.89%	4.89%	1.67%	8.37%	-9.80%
<i>Structured Value</i>								
LSV	1,083,172	5.7%	5.1%	3.87%	3.87%	18.24%	9.61%	11.77%
Russell 1000 Value				2.89%	2.89%	14.06%	7.25%	3.12%
<i>Enhanced Russell 1000 Index</i>								
LA Capital	1,303,538	6.9%	6.9%	4.08%	4.08%	7.39%	7.65%	N/A
Russell 1000				3.89%	3.89%	7.92%	7.81%	N/A
<i>Enhanced S&amp;P 500 Index</i>								
Northern Trust	1,287,021	6.8%	6.9%	3.82%	3.82%	6.02%	7.41%	N/A
Westridge	1,285,374	6.8%	6.9%	3.75%	3.75%	6.66%	7.57%	N/A
<b>Total Enhanced S&amp;P 500 Index</b>	<b>2,572,395</b>	<b>13.5%</b>	<b>13.7%</b>	<b>3.78%</b>	<b>3.78%</b>	<b>6.26%</b>	<b>8.01%</b>	<b>N/A</b>
S&P 500				3.72%	3.72%	6.32%	7.39%	N/A
<i>S&amp;P 500 Index</i>								
State Street	635,294	3.3%	3.4%	3.72%	3.72%	6.34%	7.40%	-2.83%
S&P 500				3.72%	3.72%	6.32%	7.39%	-2.86%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>6,566,405</b>	<b>34.6%</b>	<b>34.3%</b>	<b>3.94%</b>	<b>3.94%</b>	<b>8.65%</b>	<b>7.93%</b>	<b>-1.61%</b>
S&P 500				3.72%	3.72%	6.32%	7.39%	-2.86%
<b>SMALL CAP DOMESTIC EQUITY</b>								
<i>Manager-of-Managers</i>								
SEI	2,239,011	11.8%	10.7%	6.81%	6.81%	9.36%	12.76%	N/A
Russell 2000 + 200bp				6.50%	6.50%	11.64%	13.28%	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>2,239,011</b>	<b>11.8%</b>	<b>10.7%</b>	<b>6.81%</b>	<b>6.81%</b>	<b>9.36%</b>	<b>12.76%</b>	<b>5.14%</b>
Russell 2000				6.34%	6.34%	9.45%	11.73%	5.10%
<b>INTERNATIONAL EQUITY</b>								
<i>Large Cap - Core</i>								
State Street	106,756	0.6%	0.6%	3.04%	3.04%	7.68%	5.74%	-3.05%
MSCI EAFE (1)				3.07%	3.07%	9.59%	5.12%	-4.04%
<i>Large Cap - Active</i>								
Capital Guardian	317,911	1.7%	1.7%	3.46%	3.46%	11.23%	4.79%	-4.41%
LSV	314,567	1.7%	1.7%	3.45%	3.45%	N/A	N/A	N/A
Bank of Ireland	104,657	0.6%	0.6%	3.29%	3.29%	12.20%	N/A	N/A
<b>Total Large Cap - Active</b>	<b>737,136</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.43%</b>	<b>3.43%</b>	<b>13.74%</b>	<b>4.77%</b>	<b>-4.21%</b>
MSCI EAFE - 50% Hedged				3.40%	3.40%	14.41%	5.24%	-3.97%
<i>Small Cap - Active</i>								
Lazard	107,988	0.6%	0.6%	4.14%	4.14%	19.82%	N/A	N/A
Wellington	106,573	0.6%	0.6%	3.53%	3.53%	12.00%	N/A	N/A
<b>Total Small Cap - Active</b>	<b>214,561</b>	<b>1.1%</b>	<b>1.1%</b>	<b>3.83%</b>	<b>3.83%</b>	<b>15.90%</b>	<b>N/A</b>	<b>N/A</b>
Citigroup Broad Market Index < \$2BN				3.90%	3.90%	21.33%	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>1,058,453</b>	<b>5.6%</b>	<b>5.5%</b>	<b>3.47%</b>	<b>3.47%</b>	<b>13.12%</b>	<b>7.05%</b>	<b>-2.27%</b>
MSCI EAFE - 50% Hedged				3.40%	3.40%	14.41%	5.24%	-3.97%
<b>EMERGING MARKETS EQUITY</b>								
Capital Guardian	300,318	1.6%	1.4%	7.06%	7.06%	33.94%	13.63%	-0.44%
UBS	102,540	0.5%	0.6%	N/A	N/A	N/A	N/A	N/A
<b>TOTAL EMERGING MARKETS EQUITY</b>	<b>402,858</b>	<b>2.1%</b>	<b>2.0%</b>	<b>7.06%</b>	<b>7.06%</b>	<b>33.94%</b>	<b>13.63%</b>	<b>-0.44%</b>
MSCI Emerging Markets Free				7.08%	7.08%	34.89%	15.20%	2.78%
<b>DOMESTIC FIXED INCOME</b>								
<i>Core Bond</i>								
Western Asset	583,297	3.1%	3.7%	-0.58%	-0.58%	7.25%	4.78%	7.27%
Lehman Aggregate				-0.91%	-0.91%	6.80%	3.15%	5.80%
<i>Index</i>								
Bank of ND	1,042,176	5.5%	6.5%	-1.22%	-1.22%	7.23%	3.25%	6.01%
Bank of ND Match Loan CD Program	196,743	1.0%	1.0%	0.42%	0.42%	5.08%	3.75%	4.58%
<b>Total Index</b>	<b>1,238,919</b>	<b>6.5%</b>	<b>7.5%</b>	<b>-0.81%</b>	<b>-0.81%</b>	<b>6.91%</b>	<b>3.27%</b>	<b>5.81%</b>
Lehman Gov/Credit				-1.13%	-1.13%	7.26%	3.56%	5.96%
<i>Convertibles</i>								
TCW	464,293	2.4%	2.6%	2.77%	2.77%	-0.23%	9.81%	-2.05%
Merrill Lynch All Convertibles				3.19%	3.19%	0.66%	10.85%	1.00%

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		Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2005	6/30/2005
							Net	Net
<b>BBB Average Quality</b>								
<b>Wells Capital (formerly Strong)</b>	<b>668,594</b>	<b>3.5%</b>	<b>3.7%</b>	<b>-0.50%</b>	<b>-0.50%</b>	<b>12.04%</b>	<b>4.99%</b>	<b>6.25%</b>
Lehman BBB				-0.74%	-0.74%	8.60%	5.94%	5.93%
<b>Private Debt</b>								
<b>Prudential</b>	<b>52,487</b>	<b>0.3%</b>	<b>0.3%</b>	<b>-0.86%</b>	<b>-0.86%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Timberland</b>								
RMK	656,844	3.5%	3.5%	-0.08%	-0.08%	14.50%	7.48%	N/A
TIR	1,651,191	8.7%	8.7%	-0.03%	-0.03%	N/A	N/A	N/A
<b>Total Timberland</b>	<b>2,308,035</b>	<b>12.2%</b>	<b>12.2%</b>	<b>-0.04%</b>	<b>-0.04%</b>	<b>44.29%</b>	<b>3.35%</b>	<b>2.00%</b>
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>5,315,626</b>	<b>28.0%</b>	<b>30.0%</b>	<b>-0.15%</b>	<b>-0.15%</b>	<b>19.23%</b>	<b>5.41%</b>	<b>5.12%</b>
Lehman Aggregate				-0.91%	-0.91%	6.80%	3.15%	5.80%
<b>HIGH YIELD BONDS</b>								
<b>Loomis Sayles</b>	<b>470,422</b>	<b>2.5%</b>	<b>2.5%</b>	<b>1.66%</b>	<b>1.66%</b>	<b>15.96%</b>	<b>N/A</b>	<b>N/A</b>
Lehman High Yield Cash Pay Index				1.58%	1.58%	10.83%	N/A	N/A
<b>Sutter/Wells Capital</b>	<b>463,241</b>	<b>2.4%</b>	<b>2.5%</b>	<b>1.82%</b>	<b>1.82%</b>	<b>9.62%</b>	<b>N/A</b>	<b>N/A</b>
Merrill Lynch High Yield Master II Index				1.58%	1.58%	10.63%	N/A	N/A
<b>TOTAL HIGH YIELD BONDS</b>	<b>933,662</b>	<b>4.9%</b>	<b>5.0%</b>	<b>1.74%</b>	<b>1.74%</b>	<b>12.76%</b>	<b>9.56%</b>	<b>3.37%</b>
Lehman High Yield Bond Index				1.58%	1.58%	10.86%	11.22%	5.61%
<b>INTERNATIONAL FIXED INCOME</b>								
<b>International Sovereign</b>								
<b>UBS Global (Brinson)</b>	<b>384,369</b>	<b>2.0%</b>	<b>2.3%</b>	<b>-0.66%</b>	<b>-0.66%</b>	<b>7.92%</b>	<b>8.19%</b>	<b>6.46%</b>
Citigroup Non-US Gov't Bond Index (2)				-0.98%	-0.98%	7.75%	7.90%	6.12%
<b>International Core</b>								
<b>Brandywine</b>	<b>412,749</b>	<b>2.2%</b>	<b>2.3%</b>	<b>-0.55%</b>	<b>-0.55%</b>	<b>11.78%</b>	<b>N/A</b>	<b>N/A</b>
Lehman Global Aggregate (ex-US)				-0.73%	-0.73%	8.10%	N/A	N/A
<b>TOTAL INTERNATIONAL FIXED INCOME</b>	<b>797,118</b>	<b>4.2%</b>	<b>4.5%</b>	<b>-0.60%</b>	<b>-0.60%</b>	<b>9.84%</b>	<b>8.41%</b>	<b>6.59%</b>
Citigroup Non-US Gov't Bond Index (2)				-0.98%	-0.98%	7.75%	7.90%	6.12%
<b>REAL ESTATE</b>								
<b>INVESCO</b>								
457,094	2.4%	2.5%	0.00%	0.00%	N/A	N/A	N/A	N/A
J.P. Morgan	460,309	2.4%	2.5%	0.99%	0.99%	19.52%	6.55%	6.79%
<b>TOTAL REAL ESTATE</b>	<b>917,403</b>	<b>4.8%</b>	<b>5.0%</b>	<b>0.49%</b>	<b>0.49%</b>	<b>19.52%</b>	<b>6.55%</b>	<b>6.79%</b>
NCREIF TOTAL INDEX				1.75%	1.75%	18.02%	6.67%	7.57%
<b>ALTERNATIVE INVESTMENTS</b>								
Coral Partners V	37,003			0.00%	0.00%	-18.97%	-18.86%	-19.31%
Coral Partners V - Supplemental	4,522			0.00%	0.00%	-6.85%	-2.23%	N/A
Coral Partners VI	34,994			0.00%	0.00%	-1.17%	N/A	N/A
Brinson 1998 Partnership Fund	12,220			0.00%	0.00%	19.64%	-2.29%	-5.29%
Brinson 1999 Partnership Fund	20,323			0.00%	0.00%	9.31%	-1.36%	-6.39%
Brinson 2000 Partnership Fund	42,018			0.00%	0.00%	14.97%	-1.48%	-3.53%
Brinson 2001 Partnership Fund	25,445			0.00%	0.00%	4.00%	0.09%	N/A
Brinson 2002 Partnership Fund	14,118			0.00%	0.00%	-4.22%	7.67%	N/A
Brinson 2003 Partnership Fund	3,056			0.00%	0.00%	1.71%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	11,657			0.00%	0.00%	32.09%	11.06%	5.27%
Brinson 2000 Non-US Partnership Fund	13,838			0.00%	0.00%	15.57%	8.11%	1.89%
Brinson 2001 Non-US Partnership Fund	11,548			0.00%	0.00%	9.19%	5.12%	N/A
Brinson 2002 Non-US Partnership Fund	21,701			0.00%	0.00%	12.60%	7.72%	N/A
Brinson 2003 Non-US Partnership Fund	7,770			0.00%	0.00%	2.52%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	2,490			0.00%	0.00%	0.42%	N/A	N/A
Brinson BVCF IV	62,646			0.00%	0.00%	6.06%	1.13%	-8.29%
Matlin Patterson Global Opportunities	69,536			0.00%	0.00%	102.75%	N/A	N/A
Matlin Patterson Global Opportunities II	33,608			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	10,782			0.00%	0.00%	-18.88%	-6.88%	N/A
Hearthstone MSII	0			0.00%	0.00%	1214.92%	18.39%	13.51%
Hearthstone MSIII	63,684			0.00%	0.00%	16.51%	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS (3)</b>	<b>502,956</b>	<b>2.6%</b>	<b>3.0%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>17.54%</b>	<b>4.32%</b>	<b>-2.65%</b>
<b>CASH EQUIVALENTS</b>								
<b>Northern Trust STIF/STEP</b>	<b>252,185</b>	<b>1.3%</b>	<b>0.0%</b>	<b>1.56%</b>	<b>1.56%</b>	<b>2.19%</b>	<b>1.61%</b>	<b>2.59%</b>
90 Day T-Bill				0.23%	0.23%	2.15%	0.91%	2.23%
<b>TOTAL FUND</b>	<b>18,985,677</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.36%</b>	<b>2.36%</b>	<b>13.45%</b>	<b>11.50%</b>	<b>4.47%</b>
<b>POLICY TARGET BENCHMARK</b>				<b>2.09%</b>	<b>2.09%</b>	<b>8.96%</b>	<b>9.15%</b>	<b>3.25%</b>

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual co